GYÖRGY TOLNAI

THE ECONOMY OF DEVELOPING COUNTRIES TO-DAY AND TOMORROW THE FORMING OF THE BIG INDUSTRY AND OF ITS INNER MARKET

Tolnai Gy.: A fejlődő országok gazdasága ma és holnap A nagyipar és belső piacának kialakítása

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Many social scientists and politicians all over the world look for the remedy for one of the major problems of our times, namely the stopping of the social misery of the peoples of developing countries. It is obvious that the former colonial or halfcolonial countries were unable after their becoming independent to solve their economical problems and that they are before becoming bankrupt both on the world-market and in giving supply to their peoples.

As a consequence of its colonial or half-colonial past each developing country has a characteristic duality of its economy: a relatively modern "upper sector" and a generally much wider traditional "lower sector" exist side by side.

In consequence of the international capitalistic division of labour, which is disadvantageous for them, the modern sectors of the developing countries produce chiefly for export, and since their products (above all raw materials and agricultural goods) are realized permanently at unfavourable prices, they are not able to contribute to the inner economical development. (The rise in oilprices in the recent past did not change the unadvantageous situation of the developing countries since only a quarter of them exports oil, moreover most of them are very sparsely inhabited. Since three quarters of them are reduced to import of oil and they are afflicted in an increased degree by the high prices, their situation as a whole deteriorated further.)

The traditional sector, which is giving the living for the greater part of the population, hardly contributes to the economical development, because of its closed, self-supporting character, i.e. producing no goods or only occasionally; moreover, it cannot guarantee the continual and sufficient feeding of the peasants.

Both sectors exist beside each other and isolated from each other. The modern sector in its present situation is not able to put an end to the closedness of the traditional sector, to integrate it into a homogeneous national economy. Thus the developing countries remained, inspite of having obtained their national independence, delivered to the capitalistic world market, agricultural countries with a majority of peasants.

György Tolnai in his recently published book looks for the possible way of the solving of these difficult problems.

Scrutinizing the recommendations of the economists of the developed capitalistic countries, according to which the only way out for the developing countries is the developing of their modern sector through importing capital, he states that the acceptation of these advices (if only there would be possible to guarantee enough foreign credits) would mean only the enlarged reproduction of their dependence on the developed capitalistic countries.

The author thinks that the only way for quick industrial development is the accumulation of capital out of one's own resources. According to his opinion the historic way of industrial development of the developed capitalistic countries – which was shown by Marx – verifies unambigously that the only possible common source of both the missing intern market and the utilising of the "superfluous" manpower and – through them – the intern accumulation of capital was the traditional sector that became producing for the market.

György Tolnai outlines the classic way of independent capitalistic industrial development otherwise than the opinion of the majority of Hungarian historians. According to his opinion the first step of capitalistic industrial development was the separating of the agricultural and handicrafts activity within the family, the village, which was built on the division of labour between the sexes, and thus the exchange of the products of agricultural and handicrafts production through a market-mechanism. The development of this process was initiated by the buying-up-trading, which, urging the independent peasant handicrafts activity, took over the leading of the production too, and, being itself changed into industrial capital, developed the initial form of the handicrafts large-scale works, the mercantile (dispersed) mianufacture. In the next period of the independent industrial development was carried out the unification of the dispersedly working peasants in industrial manufactures, i.e. in large-scale works grounded on handicrafts. Then the capital accumulated in these manufactures made economically possible the development of mechanical largescale industry. Since this process was chiefly equivalent to assembling the masses of weaving and spinning peasants in manufactures, at the begining the textile industry became the leading branch of mechanical large-scale industry. The textile-market having become saturated the capital accumulated in the textile industry was invested in the developing of heavy industries.

But this capitalistic way of accumulation of capital within is no more possible even for developing countries. The author proves convincingly that foreign capital, playing a leading role since the colonisation, and the commissional business (the compradors) which depends on it, hinder the following of the pre-capitalistic money-lending and usuring trade (which is the parasitical form of mercantile activity, hindering the production of goods) by the national buying-up-trade, as there it was in the developed capitalistic countries. Thus the goods do not come to the consumers through the market- and price-mechanism, but the landowner an the money-lender force the products from the traditional producer for his debts, hindering thus the growing of his buying power and of his producing mood and of the expanding of the inner market. Thus the capitalist solution of industrial development became impossible because of its being late and consequently its being hindered.

Then what is the solution ?

The well proved non-capitalist form of developing of the modern sector is, because of the weakness of private capital, state capitalism. But developing of the modern sector in itself did not solve the economical and social problems. There became necessary to expand the economical developing activity of the state to the traditional sector too. In 45 percents of the developing countries the democratic governments began with the cooperative-directed unfolding of the agricultural production of the traditional sector, as an organic completion of the state-capitalistic developing of the modern sector. The cooperatives, built with state assistance on the grounds of the peasant community, increased the consumption of food-stuffs of cooperative peasants, enhanced their social organization but did not contribute sufficiently to the growing of commodity production of the traditional sector. There remained then the task, henceforward to be solved of economic policy of the progressive governments of developing countries to free direct possibilities of accumulation of industrial capital in the traditional sector of their economy.

According to György Tolnai the solution of the problem is that democratic state capitalism should take upon itself consciously the role played former by commissional business respectively industrial capital developed out of it at the beginning of capitalistic industrial development: it should separate the agricultural and handicrafts activity of it the traditional sector; it should — in the interest of large scale mood of division of labour — organize the state buying up of agricultural and handicrafts products to favourable prices, and it should, finally, stimulate the exchange of textiles and foodstuffs and thus protect the inner market, which so comes into being, from the competition of the developed large-scale industry

A significant advatage of this state capitalistic form of industrial development is — beside its relative quickness — that it spares the peoples of developing countries the exploitation going with capitalistic industrial development. A further advantage of it is that the developing of peasant industry requires only a small quota of state investments and thus the state may give the major part of central investments in the future too for developing of other industrial branches, chiefly of heavy industry. In connection with this author calls the reader's attention to the – according to his opinion generally valid – historic example of the successful adoption of this conception of economic policy, to the period of NEP (New Economic Policy). The most remarkable parts of the book are these chapters (7th and 8th) which deal with the possible modes of such an adoption of state capitalism.

At the end of the book the author calls the attention to the statement that state capitalism is neither capitalism, nor socialism, but a transitional form which may, according to the development of social power relations, of the inner class struggle, turn into capitalism or socialism. Which way will turn the developing countries, will be of world-historic importance, since this will influence considerably the outcome of the world-wide struggle between the socialist world-system and imperialism.

György Tolnai's book is very remarkable first of all because its conception has in view the solution of the developing countries' problems out of their own resources.

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